

[23 March, 2001]

RAJYA SABHA

(c) whether Government have made any efforts to find out the production cost of chemical fertilizers in America, Canada, Brazil, Australia and other countries; and

(d) if so, the details of production cost in those countries and to what extent it is higher in India?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE): (a) and (b) The production cost of chemical fertilizers in the country is currently higher than the international price. The reason for higher cost is mainly on account of higher feedstock/raw material cost in India. In the case of nitrogenous fertilizers, plants in the exporting countries are generally based on natural gas. As per available information, the cost of natural gas in those countries is around US\$ 1 per million BTU or less, whereas in India as against the delivered cost is US \$ 2.33 to 2.39 for the plants based on land fall point and US \$ 2.76 to 3.07 for the plants based on HBJ pipeline. The feedstock cost of the plants based on naphtha and fuel oil is still higher. The delivered cost of naphtha at the factory gate is US \$ 7.68 to 9.16 and that of fuel oil is US \$ 5.59 to 6.31 per million BTU.

In regard to phosphatic fertilizers, plants in India are mostly dependent on imported intermediates or raw materials, the landed cost of which per tonne of DAP is usually higher than the landed cost of DAP itself. In addition, the industry has to incur conversion and capital related costs.

(c) and (d) It is difficult to get the production cost of chemical fertilizers in other countries, which is generally kept confidential for commercial interests.

Price Index of Pharmaceutical Formulations

3022. **SHRI SWARAJ KAUSHAL:** Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) what was the price index of pharmaceutical formulations during the last five years, ending the year 2000;

(b) whether there has been any rise in the price index; and

(c) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE): (a) to (c) During the period from 1995-96 to 1999-2000, as a whole, the prices of drugs and medicines as measured by the Wholesale Price Index (WPI) number (base 1993-94 = 100) has increased by 68.27% (17.07% per annum). The common reasons for rise in prices of medicines in general are rise in prices of raw materials, transport/freight charges, change in foreign exchange rates, changes in taxes and duties etc.

Gift to Doctors and Chemists by drug Companies

†3023. SHRI SURYABHAN PATIL VAHADANE:

SHRI VIJAY SINGH YADAV:

SHRI MUNAVVAR HASAN:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is fact that drug companies are giving huge margin discounts and very costly gifts to doctors and chemists;

(b) whether it is as per provision of DPCO;

(c) whether it is a bribe;

(d) whether Government's attention has also been invited towards a news item appearing in the Dainik Jagran of 21st January, 2001, under the caption "Doctorn ka Dawa Companion se Commission Lena Sharmanak", if so, whether Government have any evidence in this regard, if so, the details thereof; and

(e) what action is being taken for such malpractices?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE): (a) to (c) For scheduled drugs and formulations, the permissible margins are regulated under the provisions of the

†Original notice of the question was received in Hindi.